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22 January 1959

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CENTRAL INTELLIGENCE BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

22 January 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

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USSR-Finland: [The first sign of relaxation of the Soviet pressures which last month toppled Finland's conservative coalition government is the statement by the Soviet charge in Helsinki that the long-deferred trade negotiations can begin shortly. Official statements by the Finnish Communist party, however, have severely criticized the new minority Agrarian government formed last week. Meanwhile, President Kekkonen has left on a "private" visit to Leningrad.]

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Watch Committee conclusion--Taiwan Strait: The Chinese Communists continue to have the capability of seizing some of the smaller offshore islands in the Taiwan Strait area with virtually no warning. A review of the evidence does not reveal an intent to initiate a major attack in the immediate future.

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II. ASIA-AFRICA

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Watch Committee conclusion--Middle East and Southeast Asia: Situations susceptible of direct exploitation by Sino-Soviet hostile action which would jeopardize US interests exist in the Middle East and Southeast Asia.

no Middle East: Although the situation in the Middle East remains precarious, a deliberate initiation of large-scale hostilities is unlikely in the immediate future. Communist influence and activity in Iraq continue to pose the threat of Communist control of the government.

Southeast Asia: In Cambodia, Premier Sihanouk's awareness of political plots against him, abetted by Thailand and South Vietnam, may impel him to seek increased Communist support.

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DAILY BRIEF

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Lebanon: Clashes between Christian and Moslem students, over a plan to offer in the Arabic language training in law which has hitherto been available only in French at a Jesuit school, are symptomatic of the continuing pressure of Lebanon's Moslems for control of the state. Controversies between the Christians and Moslems in Lebanon will continue to create public tension and dissension in the cabinet. [REDACTED]

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III. THE WEST

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Italy: Vice Premier Saragat predicts that several deputies of his small Democratic Socialist party will split away to join the Nenni Socialists as a result of Nenni's victory over the pro-Communists at the recent party congress. Such a move would wipe out Premier Fanfani's present three-vote parliamentary margin. There is reason to believe, however, that a government crisis may be postponed until after the April congress of Fanfani's Christian Democratic party. [REDACTED]

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Portugal: [The escape of ex-army Captain Henrique Galvao, long-time Portuguese opposition leader, from a Lisbon hospital on 15 January has aroused the concern of key members of the Salazar regime, [redacted] Galvao, whom Portuguese police officials regard as a real threat to the government, could provide the leadership, heretofore lacking, [redacted] for the increased popular opposition to the regime and at the same time obtain decisive backing from dissatisfied elements among regime supporters to effect Salazar's retirement at an early date.] [redacted]

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DAILY BRIEF

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I. THE COMMUNIST BLOC

USSR Eases Pressure on Finland

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[Moscow has begun to relax the pressures which toppled Finland's "rightist" coalition government last month, but has not yet indicated firm approval of the new minority Agrarian government formed last week by V. J. Sukselainen without Communist representation.]

[The Soviet chargé informed Finnish officials on 19 January that long-deferred trade negotiations can begin soon and that the USSR would be prepared to receive a delegation "within a matter of days." According to the Finnish press, suspended Soviet payments to several Finnish industries have been resumed.]

[The USSR, at Finland's request, renewed an invitation extended last May for a "private visit" by President Kekkonen. Soviet officials had ignored earlier attempts by the Fagerholm government to arrange such a visit. The new Finnish Government's desire to adopt a conciliatory posture toward the USSR is reflected in its prompt reply to the Soviet proposal for a conference to draft a German peace treaty which stated that Finland is ready to "contribute" to the success of such a conference.]

[The USSR still has not replaced its ambassador to Finland, withdrawn last September, but Peiping, which followed the Soviet action in October, has now requested approval for its new ambassador.]

[Official press statements by the Finnish Communist party (FCP), however, have asserted that the Sukselainen government is incapable of "restoring relations of trust with the USSR" and have accused it of "preparing the way for a rightist return to power." The Finnish Communists' attacks, quoted by TASS, suggest that they will continue to agitate for inclusion in the government.]

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The Lebanese Situation

A student strike over the question of teaching law in the Arabic language at the government-controlled Lebanese Academy has aroused religious antagonism and caused clashes between Moslem and Christian students. Up to the present time the teaching of law in Lebanon has been confined to Université St. Joseph, a French-financed school sponsored by the Université de Lyon, and instruction has been in French. The president of the Arabic-language Lebanese Academy, sometimes referred to as the Lebanese University, has no college degree, and its faculty and educational standards are far below those at St. Joseph.

Moslem students throughout Lebanon went on strike several days ago in support of the Academy's efforts to add a law curriculum. French-oriented secondary students struck in retaliation. The dispute, now drawn along religious lines, has reached into the cabinet, reportedly causing a rift between its two Christian and two Moslem members. While this particular dispute may be resolved, new controversies of this kind will continue to spring up to disrupt the cabinet, which is not being given effective leadership by President Shihab.

Recently there have been reports of threats by Communist and extreme Arab nationalist elements to continue to foment labor strife in Lebanon. These elements' efforts are primarily directed against pro-Western unions in the fields of transportation, dock workers, public utilities, and the textile mills. The textile workers and truck drivers now are on strike. Next on the extremists' list are the workers of the tobacco monopoly. With some unemployment and reduced economic activity as a consequence of last summer's rebellion, the field is fertile for extremist elements to incite labor troubles, and Communist trade unionists, according to spokesmen for all democratic trade union elements, are enjoying favor with Prime Minister Karami.

There have been reports that the Syrians again have been smuggling arms to antigovernment forces in Lebanon.

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III. THE WEST

Italian Government Continues in Jeopardy

Statements made by Vice Premier Saragat to US Embassy officials on 20 January suggest that the victory won over the pro-Communists by Pietro Nenni's autonomist faction at the Italian Socialist party's (PSI) congress may lead to a cabinet crisis. Saragat, leader of the Democratic Socialists, who are part of the government coalition, predicted that two to six of his party's 22 deputies will split away to join Nenni. This would erase the government's three-vote margin and could topple Prime Minister Fanfani unless he can gain tacit support from the PSI as a whole or from other parties outside the governing coalition, or unless Nenni decides to throw the support of some of his deputies to Fanfani, as has apparently happened on certain secret ballots.

On the other hand, right-wing Christian Democrats, fearful that Fanfani will get additional parliamentary support from the PSI, now may decide to oppose him openly. They have been voting against the government on secret ballots, but they apparently prefer to postpone the real battle until their party's congress, scheduled for 11-13 April.

Whether the left-wing Democratic Socialists decide to break with Saragat immediately or stay with him depends somewhat on their estimate of their eventual ability to pull the rest of the party with them into a unified Socialist party with Nenni. Presumably, their action will also be influenced by Nenni's decision as to whether or not he wants to bring down the government at this time.

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Portuguese Government Reported Nervous Over Opposition Leader's Escape

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[On 15 January Henrique Galvao, a leading opponent of the Salazar regime, escaped from a Lisbon hospital. Sentenced last year to a long prison term on charges of antigovernment plotting, he is regarded as a martyr by a large segment of the public.]

[Galvao's escape has accentuated the nervousness of key members of the Salazar regime, already apprehensive that an opposition movement of unknown intensity may underlie the known political unrest. Police officials regard Galvao as a real threat who could provide a rallying point for all dissident elements.]

[Galvao is an ex-army captain said to retain the respect of many key army officers. He is a friend of General Humberto Delgado whose opposition presidential campaign last year alarmed the government by the unrest it revealed. Galvao was formerly an inspector of colonies and a parliamentary deputy whose sharp criticism of the government's domestic and colonial policies subjected him to the special enmity of Premier Salazar.]

[Though dissatisfaction with Salazar seems to be increasingly widespread, no group seems prepared yet to act on it. Galvao could provide the leadership which the popular opposition to the regime has heretofore lacked. At the same time, he could probably obtain backing from dissatisfied elements among regime supporters who feel that Salazar has outlived his political usefulness and that it is time for a change of government.]

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